

# MEMORANDUM



## Request for City Council Committee Action

Date: January 22, 2002

To: Council Member Goodman, Community Development Committee  
Council Member Johnson, Ways and Means/Budget Committee

Refer to: MCDA Board of Commissioners

Prepared by: Bob Lind, Phone 612-673-5068 and  
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Approved by Steve Cramer, MCDA Executive Director \_\_\_\_\_

**Subject:** Enterprise Zone Incentive Grant Program Appropriation.

### Previous Directives:

In 1995 the MCDA Board of Commissioners approved the program plan for the State Enterprise Zone Incentive Grants. On July 15, 1996 the Board of Commissioners authorized an expansion of the Enterprise Zone Program boundaries. In October 1997 the Board of Commissioners approved an extension of MCDA's contract with the Minnesota Department of Employment Security to operate the Minneapolis Enterprise Zone Program. On April 24, 2000 the Board of Commissioners authorized an inter-agency agreement between MCDA and the Minneapolis Employment and Training Program (METP) to implement workforce development initiatives in the State-funded Minneapolis Enterprise Zone.

**Neighborhood Group Notification:** N.A.

**Consistency with Building a City That Works:** Consistent with Goal 1: Increase the city's economic competitiveness and extend the benefits of the growing economy to all Minneapolis residents.

**Comprehensive Plan Compliance:** N.A.

**Zoning Code Compliance:** N.A.

**Impact on MCDA Budget:** (Check those that apply)

- ☒ No financial impact
- ☒ Action requires an appropriation increase to the MCDA Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

**Living Wage / Business Subsidy:** Will comply.

**Job Linkage:** Will comply.

**Affirmative Action Compliance:** N.A.

**Recommendation:**

Amend the 2001 MCDA Appropriation Resolution to increase the appropriation in Fund SED (Economic Development) by \$685,000 and to increase the revenue budget in Fund SED (3215-State Grants) by \$685,000.

**Background/Supporting Information:**

In 1996 the MCDA received \$275,000 from the State of Minnesota to start the Enterprise Zone Employment Program. This program provides training and job placement to Enterprise Zone residents. Jobs that paid a living wage (currently \$9.33 per hour) and offer opportunities for advancement were the primary goal of this program. By 1999, MCDA received subsequent grants totaling \$855,000. Also in 1999, the Enterprise Zone Program was restructured to provide enhanced workforce development initiatives for Zone residents. Rather than emphasizing grants to Minneapolis Enterprise Zone businesses, this custom workforce initiative provides a number of services to the Zone residents that may include skills training, job retention counseling and transportation services.

Beginning in 2001, \$685,000 was available for customized workforce initiatives. This Workforce Initiatives Program will fund training and job placement programs in collaboration with the Minneapolis Employment and Training Program (METP) and also support the employment cluster training program. Approximately 200 residents received training and job placement in 2001.